

AIRGRAM

FOR RM USE ONLY

RM/R	REP	AF
1		
ARA	EUR	FE
WEA	CU	INR
4	5	
E	P	IO
L	FBO	AID
		12
PC	U/IB	
2		
AGR	COM	FRB
2	2	
INT	LAB	TAR
	2	
TR	XMB	AIR
2		15
ARMY	CIA	NAVY
15	15	14
OSD	USIA	NSA
12	11	3
	HEW	NSO
	1	3

A-366

SECRET

AIR POUCH

HANDLING INDICATOR

TO : Department of State

1963 FEB 19 AM 11 31

INFO : DHAHRAN, CHUSMTM, COMIDEASTFOR

FROM : Amembassy JIDDA

DATE: February 13, 1963

SUBJECT : Joint. Weekn. No. 6

REF

COPY NO.

SERIES A

Table of Contents

POLITICAL/ECONOMIC

1. Joint Military Exercises

5. SAG/Aramco Negotiations
6. SAG/TWA Negotiations
7. Air Traffic Control Problem at Dhahran
8. Saudi Arabia Issues Mining Code

MILITARY

Negative

PSYCHOLOGICAL

1. Baghdad Coup
2. Taif Accord
3. USA-SAG Joint Exercise
4. Yemen

POLITICAL/ECONOMIC

1. Joint Military Exercises. (Weeks 5). Joint U.S.-Saudi military exercises were held in Jidda and Riyadh on February 5 and 6, respectively. Program began with drop of four sky divers from a height

SECRET

FOR DEPT. USE ONLY

FORM 4-62 DS-323

Drafted by:

CLWidney/MDraper/GMLane/RLPhillips:lf

Contents and Classification Approved by:

2-11-63

Clearances:

☒ In ☐ Out

SECRET

SECRET

Page Two
A-366
Jidda

of 7,500 feet followed by demonstration jumps by 80 U.S. followed by 80 Saudi troops. U.S. troops were from 10th Special Forces Group, which arrived Dhahran from Germany February 4 and returned Germany February 7. Large crowds turned out both Jidda and Riyadh to witness demonstrations. Only minor casualties were officially reported both places among paratroopers. However, one Saudi plane crew member, who was not provided with a parachute, accidentally fell to his death in Jidda.

Ceremonies presided over in Jidda by Prince 'ABD' AHMAN al-Faysal, eldest son of Crown Prince, and in Riyadh by Prince SULTAN bin 'Abd al-'Aziz, Minister of Defense and Aviation. (CONFIDENTIAL)

Comment: The joint exercises are within the framework of appropriate military measures being taken to underline U.S. support for the maintenance of Saudi Arabia's integrity during the current crisis in Yemen. (SECRET)

RELEVANT

SECRET

SECRET

Page Three
A-366
Jidda

5. SAG/Arance Negotiations. SAG-Arance negotiations are still scheduled to resume on February 12. Tax expert Barker from New York will reportedly assist the Saudi side in negotiations on tax liabilities and payments related to Sides transit claim. (CONFIDENTIAL)

6. SAG/TWA Negotiations. TWA negotiating team of Duckworth and Peck departed Saudi Arabia on February 7 after a fruitful meeting with HODA Prince SULTAN. According to Peck, Prince Sultan stated that Saudi Airlines would be transformed into an independent corporate entity "within five days" and that TWA would resume negotiations with a three-man negotiating team to be nominated by the Board of Directors of this public corporation. Duckworth and Peck will return as soon as this three-man team is ready to begin discussions. (LIMITED OFFICIAL USE)

Comment: TWA representatives remained optimistic that a mutually acceptable contract can be negotiated. In view of the well-known Saudi habit of procrastination, however, it may be some time before serious negotiations get underway. (LIMITED OFFICIAL USE)

7. Air Traffic Control Problem at Dhahran. Saudi civil aviation authorities assumed responsibility for operation and administration of air traffic services at Dhahran International Airport (DIA) February 1. Also directed that two Saudi controllers would be eligible assume sole duties. Since transfer DIA to Saudi control in early 1962, air traffic control has been run by contract foreign employees obtained through ICAO, who were also training Saudis for eventual take-over their positions. (CONFIDENTIAL)

8. FAS Inspector from International Field Office in Beirut Arrives Dhahran February 8 to assist direction and make appropriate recommendations for American carriers using airfield. In meantime, Saudi authorities have reaffirmed their intention to maintain international standards. (CONFIDENTIAL)

SECRET

SECRET

Page Four
A-366
Jidda

DECLASSIFIED

8. Saudi Arabia Issues Mining Code. On February 6 a royal decree was issued approving Saudi Arabia's long-awaited code of regulations governing the exploitation of the mineral resources in the Kingdom. The Saudi Government hopes that the publication of this code will encourage foreign investment in this sector of the Saudi economy. (UNCLASSIFIED)

MILITARY

Negative.

PSYCHOLOGICAL

1. Baghdad Coup. Saudi press media promptly reported Iraqi coup, breaking with recent past behavior (Yemen and Syrian breakaway from UAR) of "ignoring" Middle East crisis events. Press media relied heavily upon Western wire services for coverage. Acting under instructions from Shaykh 'ABD ALLAH BALKHAYR, Minister of State for Broadcasting, Press and Publication, Radio Mecca featured statement by Department of State characterizing Iraqi coup as "anti-communist." (See political section.) (UNCLASSIFIED)

2. Taif Accord. Announcement of royal decrees ratifying Taif Accord, originally scheduled for February 8, cancelled by Shaykh Balkhayr, who re-scheduled its announcement for February 9, to avoid overshadowing by Iraqi events. (See political section.) (UNCLASSIFIED)

3. USA-SAG Joint Exercise. Press media gave extensive coverage to Joint USA-SAG military exercise February 5, Jidda. Al-Bilad, February 6, carried 200 inches of reportage and photos. (See political section.) (UNCLASSIFIED)

4. Yemen. Al-Nadwah. February 9, front-paged news item: "Baydani Relieved of His Post. Inspite Appeals in His Behalf by 'Amir and Sadat." Item quoted "well-informed Yemeni sources in Aden." (UNCLASSIFIED)

For the Ambassador:

Nicholas G. Thacher

Nicholas G. Thacher
Counselor of Embassy

SECRET

DECLASSIFIED

5